



United States Department of Agriculture
Risk Management Agency

April 2005

2005 COMMODITY INSURANCE FACT SHEET

Potatoes

Massachusetts

Crop Insured

Potatoes planted with certified seed for harvest as either certified seed stock or for human consumption may be insured. The policy does not cover potatoes that are:

- Inter-planted with another crop;
- Planted into an established grass or legume; or
- Planted without following crop rotation requirements when specified in the special provisions.

Counties Available

Potatoes are insurable in Franklin and Hampshire counties. Potatoes may be insurable in other counties if specific criteria are met. Contact a crop insurance agent for details.

Causes of Loss

Adverse weather conditions¹
Failure of irrigation water supply
Fire
Insects²
Plant disease²
Wildlife

¹Such as hail, freeze, frost, drought, and excess moisture.

²Only if sufficient and proper control measures are used.

Note: This policy does not insure against loss of production from damage occurring after potatoes are placed in storage.

Insurance Period

Coverage begins when the potatoes are planted and ends the earliest of: (1) total destruction of the potatoes, (2) harvest of the crop, (3) final adjustment of a loss, (4) abandonment of the crop, (5) October 31, 2005.

Reporting Requirements

Acreage Report—You must timely report to your agent all the acres of potatoes in the county in which you have a share.

Important Dates

Sales Closing	March 15, 2005
Final Planting Date	June 10, 2005
Acreage Report Date.....	July 15, 2005
End of Insurance	October 31, 2005

Definitions

Average APH Yield— Your average yield per acre based on your actual yields and usually referred to as the actual production history (APH) yield.

Production Guarantee— Hundredweight (cwt.) guaranteed per acre determined by multiplying your average APH yield (based on your records) times the coverage level percentage you elect.

Price Election— Price used to calculate your premium and indemnity. Price elections are posted on the RMA website at:

<http://www3.rma.usda.gov/apps/pricesinquiry/>

Duties in the Event of Damage or Loss

(1) Protect the crop from further damage by providing sufficient care; (2) Notify your agent within 72 hours of your initial discovery of damage (but not later than 15 days after the end of the insurance period); (3) Leave representative samples intact for each field of the damaged unit.

Price Election

\$6.60 per cwt

Coverage Levels and Premium Subsidies

Coverage levels range from 50 to 75 percent of your average yield. For example, an average potato yield of 260 cwt. per acre would result in a 195 cwt. per acre guarantee at the 75-percent coverage level. Crop insurance premiums are subsidized as shown in the following table. For example, if you selected the 75 percent coverage level, your premium share would be 45 percent of the base premium:

Item	Percent					
Coverage Level	50	55	60	65	70	75
Premium Subsidy	67	64	64	59	59	55
Your Premium Share	33	36	36	41	41	45

Catastrophic (CAT) Coverage is fixed at 50 percent of your average yield and 55 percent of the price election. The cost for CAT coverage is an administrative fee of \$100, regardless of the acreage.

Insurance Units

Your insurable acreage will be grouped into one or more units in order to establish the approved yield, calculated a guarantee, and determine any indemnity.

- **Basic Unit:** A basic unit includes all of your wheat acreage in the county by share arrangement. Premiums are reduced by 10 percent for a basic unit.
- **Optional Units:** If a basic unit consists of two or more farm serial numbers (FSN) and certain record-keeping criteria are met, you may apply for optional units by FSN. The 10-percent discount will not apply.

Loss Example

This example assumes an average yield of 260 cwt. per acre, 65-percent coverage level, no endorsements, and basic units.

260	Cwt. per acre average yield (APH)
x .65	Coverage level percentage
169	Cwt. per acre guarantee
- 89	Cwt. per acre production
80	Cwt. per acre loss
x \$6.60	Price election
\$528	Gross indemnity per acre
- 30	Estimated producer premium per acre
\$498	Net indemnity per acre

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